

March 1, 2018

Connecticut Energy and Technology Committee

**RE: Public Testimony of Brookfield Renewable on Senate Bill 9 – An Act Concerning Connecticut’s Energy Future**

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Good afternoon. I am Michael Cuzzi, Senior Director of Government Affairs at Brookfield Renewable. Thank you to the Chairs and members of the Committee for the opportunity to provide testimony in support of SB 9.

Brookfield Renewable operates over 1,500MW of carbon-free resources in ISO-NE and an additional 1,000MW that can be imported to New England from New York and Quebec. Our renewable hydro, wind, solar and pumped storage resources are available to help meet the energy needs and environmental objectives of Connecticut and the region.

Brookfield Renewable supports the significant annual RPS increases proposed by SB 9. Requiring that at least 40% of 2030 electricity demand is met by Class I resources will be an important step toward ensuring the State’s 2050 carbon reduction mandate is met, and will help achieve any interim carbon reduction targets codified through legislation this session or thereafter.

However, increased RPS requirements will necessarily result in increased program compliance costs which are ultimately borne by Connecticut ratepayers. The Department of Energy and Environmental Protection acknowledged this fact in its recently released Comprehensive Energy Strategy.<sup>1</sup> SB 9 attempts to limit potential ratepayer impacts by lowering the Class I alternative compliance payment (ACP). While the ACP is an important flexibility mechanism to ensure RPS obligations can be met, ACP payments are not equivalent to the actual procurement and delivery of electricity from renewable resources. Lowering the ACP increases the risk that clean energy is not actually

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<sup>1</sup> Comprehensive Energy Strategy at pg. 29. February 8, 2018.

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delivered and consumed, thereby imperiling achievement of Connecticut's carbon reduction and renewable energy objectives. Brookfield Renewable therefore strongly urges the Committee to consider alternative cost containment measures which will ensure the actual delivery and consumption of renewable energy in the state.

Specifically, Brookfield Renewable urges that SB 9 be amended to remove the current Class I vintage requirements for run-of-river hydropower resources of 30 MW or less. This change would allow Connecticut to avail itself of the full suite of cost-effective carbon free resources available to it, rather than relying primarily on a build out of new generation resources and associated transmission. Brookfield Renewable's modeling suggests that making this single, straightforward amendment would enable the State to capture nearly \$450 million in ratepayer savings through 2030. This change would also allow Connecticut to value and retain existing resources that are already counted in the State's greenhouse gas inventory but that are not compensated for their carbon free attributes like other Class I resources.

Should the current vintage requirement be removed, Connecticut would still retain ample unfilled RPS demand to drive the development of new carbon-free resources because of the size of the RPS increase contemplated in SB 9, the anticipated phase down of biomass and landfill gas eligibility (which currently satisfy the majority of Class I demand) and the finite supply of existing hydropower resources. In fact, for those stakeholders interested in seeing Connecticut adopt more aggressive targets, this cost-saving amendment will make more robust mandates -- such as a 50% RPS by 2030 -- more economically palatable, providing Connecticut with a more stable pathway to achieve more aggressive carbon reduction and renewable energy targets. In short, qualification of existing hydropower resources of 30MW or less, regardless of vintage, as Class I resources will ensure that carbon reduction and renewable energy targets proposed by SB 9 -- or even more aggressive targets -- are achieved in the most efficient and cost-effective manner for Connecticut ratepayers.